

CIA 3-03.3

CIA 1-04 Mathias, Willard

CIA 1-03 Kent, Sherman

CPYRGHT

A23WX (CIA-VIET BJT)

#(420) AMS BUDGET

CIA-VIET NAM

PY LEWIS GULICK

CPYRGHT

ASSOCIATED PRESS WRITER

WASHINGTON, AUG. 22 (AP) - A CIA OFFICER HAS VOICED "SERIOUS DOUBT THAT VICTORY CAN BE WON" IN SOUTH VIET NAM AND HAS SUGGESTED THE EVENTUAL OUTCOME MIGHT BE A NEGOTIATED SETTLEMENT. ADMINISTRATION SOURCES SAID TODAY THIS IS NOT THE U.S. GOVERNMENT VIEW.

THE CONCLUSION THAT NO MILITARY END TO THE WAR AGAINST RED GUERRILLAS IS IN SIGHT WAS EXPRESSED BY WILLARD MATTHIAS, A MEMBER OF THE CENTRAL INTELLIGENCE AGENCY'S BOARD OF NATIONAL ESTIMATES, IN A JUNE 8 PAPER ON "TRENDS IN THE WORLD SITUATION."

MATTHIAS WROTE THAT THE COMMUNIST VIET CONG HAVE STEPPED UP THEIR OFFENSIVE AND THE COUNTER-GUERRILLA EFFORT "CONTINUES TO FLOUNDER" UNDER POOR PROSECUTION BY THE SAIGON GOVERNMENT.

CONTINUED LARGE-SCALE U.S. SUPPORT OF THE ANTI-GUERRILLA CAMPAIGN AND AN END TO "FURTHER POLITICAL DETERIORATION WITHIN SOUTH VIET NAM" COULD AT LEAST ACHIEVE "A PROLONGED STALEMATE," THE CIA OFFICER SAID.

MATTHIAS SAID THERE IS ALSO A CHANCE THAT FUTURE DEVELOPMENTS "COULD LEAD TO SOME KIND OF NEGOTIATED SETTLEMENT BASED UPON NEUTRALIZATION." FRENCH PRESIDENT CHARLES DE GAULLE HAS SUGGESTED NEUTRALIZATION OF THE AREA, AN IDEA COOLLY RECEIVED BY THE U.S. GOVERNMENT.

ADMINISTRATION SOURCES MADE THE 50-PAGE DOCUMENT AVAILABLE AFTER LEARNING IT WOULD BE PUBLISHED IN THE CHICAGO TRIBUNE.

IASA COVER SHEET TO MATTHIAS

A COVER SHEET TO MATTHIAS' PAPER, SIGNED BY SHERMAN KENT, CHAIRMAN OF THE NATIONAL ESTIMATES BOARD, STATED THAT THE DOCUMENT WAS CIRCULATED "FOR INFORMATION." THE PAPER "HAS GENERAL BOARD APPROVAL, THOUGH NO ATTEMPT HAS BEEN MADE TO REACH GENERAL AGREEMENT ON EVERY POINT OF IT," KENT SAID.

A29WX #

MATTHIAS WROTE:

"THE GUERRILLA WAR IN SOUTH VIET NAM IS IN ITS FIFTH YEAR AND NO END APPEARS IN SIGHT. THE VIET CONG IN THE SOUTH, DEPENDENT LARGELY UPON THEIR OWN RESOURCES BUT UNDER THE DIRECTION AND CONTROL OF THE COMMUNIST REGIME IN THE NORTH, ARE PRESSING THEIR OFFENSIVE MORE VIGOROUSLY THAN EVER.

"THE POLITICAL MISTAKES OF THE DIEM REGIME INHIBITED THE EFFECTIVE PROSECUTION OF THE WAR, WHICH IS REALLY MORE OF A POLITICAL CONTEST THAN A MILITARY OPERATION, AND LED TO THE REGIME'S DESTRUCTION. THE COUNTER-GUERRILLA EFFORT CONTINUES TO FLOUNDER, PARTLY BECAUSE OF THE INHERENT DIFFICULTY OF THE PROBLEM AND PARTLY BECAUSE DIEM'S SUCCESSORS HAVE NOT YET DEMONSTRATED THE LEADERSHIP AND THE INSPIRATION NECESSARY.

"THERE REMAINS SERIOUS DOUBT THAT VICTORY CAN BE WON, AND THE SITUATION REMAINS VERY FRAGILE. IF LARGE-SCALE U.S. SUPPORT CONTINUES AND IF FURTHER POLITICAL DETERIORATION WITHIN SOUTH VIET NAM IS PREVENTED, AT LEAST A PROLONGED STALEMATE CAN BE ATTAINED. THERE IS ALSO A CHANCE THAT POLITICAL EVOLUTION WITHIN THE COUNTRY AND DEVELOPMENTS UPON THE WORLD SCENE COULD LEAD TO SOME KIND OF NEGOTIATED SETTLEMENT BASED UPON NEUTRALIZATION."